

CW-1                      And I'll leave it at that.

SLOANE                  Okay. Yeah. Yeah, yeah.

P. MARCI PALATELLA

332. Defendant MARCI PALATELLA is a resident of Hillsborough, California. PALATELLA is the CEO of a liquor distribution company in Burlingame, California.

333. As set forth below, PALATELLA took part in both the college entrance exam cheating scheme and the athletic recruitment scheme, including by conspiring to bribe USC's Heinel to designate her son as a football recruit in order to facilitate his admission to USC.

334. In or about 2016, CW-1 arranged for PALATELLA's son to be evaluated by a psychologist with whom CW-1 was acquainted, in order to obtain the medical documentation necessary to qualify for extended time on his college entrance exams.

335. On or about September 26, 2016, after receiving the psychologist's evaluation, PALATELLA e-mailed CW-1 to inquire whether she should apply for extended time on both the SAT and the ACT. CW-1 replied: "Do both that way if one says no we have the other."

336. On or about February 27, 2017, after her son was granted extended time on the SAT, PALATELLA e-mailed her son's high school that he would be "taking his SAT test at [the West Hollywood Test Center] in Los Angeles on March 11 and 12, 2017." PALATELLA explained that "[w]e are taking [our son] to LA that weekend to look at schools and his outside college advisor recommended he take his test at that facility."

337. On or about March 7, 2017, PALATELLA wired \$75,000 to one of the KWF charitable accounts.

338. On or about March 10, 2017, CW-2 flew from Tampa to Los Angeles for PALATELLA's son's SAT exam. CW-2 purported to proctor the exam the following day and returned to Tampa on or about March 12, 2017.

339. PALATELLA's son received a score of 1410 out of a possible 1600 on the SAT.

340. At or about the same time that PALATELLA made arrangements with CW-1 to facilitate cheating on her son's college entrance exams, she also inquired about the college recruitment scheme. In an e-mail exchange on or about March 13, 2016, PALATELLA asked CW-1 for advice on how to "position" her son for his college applications. In response, CW-1 asked, "Are you willing to make a contribution of several hundred thousand as a donation to get him in as a participant in someone's program." PALATELLA replied: "Money, for the right environment, Yes. But he can never know."

341. On or about the following day, CW-1 provided PALATELLA with a price list, which he described as "the number it would take to get admitted even with the fudging of the scores." For USC, he advised that there was a 75 percent chance of getting her son admitted with a "large but not significant" donation. PALATELLA asked for "the approximate number it would take to get in there," and added, "[w]hen we spoke \$300-400 was one level, and the second level was \$750-1m. Can you clarify?" CW-1 answered: "Georgetown BC may be over 1m others as stated."

342. In an e-mail exchange on or about October 3, 2016, PALATELLA asked CW-1 whether certain schools would be "realistic" for her son assuming he "had a B average, and SAT scores that you can guess at (I'm assuming fairly accurately) . . . if we were also 'generous?'" CW-1 replied:

Several of the school's besides being very difficult to get in are a grind and there are no easy classes. . . . No matter the board member you know the grades and

very good/solid scores will not get him in unless you anti [sic] in the many millions. The only way in is through athletics due to the leeway given athletes.

PALATELLA responded that her son was not a realistic football recruit, noting:

You know that [my son] took a year off football this year and says he just needed a break and will play next year. So given that, and they he's [sic] not the team's star but a good solid player, would he really still have an athletic edge? [My son] is a natural but he's gotten the message that he is not big enough for college football. I think that's one of the reasons he dropped out. . . . How would he have an athletic edge at a bigger named school given the other players are huge?

CW-1 answered:

He needs to get in through Football so my relationship at that levels gives [him] a shot since that is the sport with the lowest grades. Notre Dame and Vandy lowest football players are 3.4 and have to be big time players. Cannot hide him there.

PALATELLA responded, "Ok. Got it," and asked if her son should "go back now this season or can he go back as a senior??" CW-1 replied: "I got it covered no worries on the story for [your son]." PALATELLA responded with four heart emojis.

343. On or about July 27, 2017, approximately four months after engaging in the SAT cheating scheme, PALATELLA e-mailed CW-1 a photo of her son in his football uniform and asked, "Will this work?" CW-1 forwarded the photo to Janke, together with PALATELLA's son's grades and test scores, which included the fraudulently obtained SAT score. Janke created a football profile for PALATELLA's son that falsely described him, among other things, as an active player on his high school football team as a member of the "defensive line" and a "long snapper" and as a member of several local and statewide championship teams between 2015 and 2017.

344. Heinel presented PALATELLA's son to the USC subcommittee for athletic admissions as a purported football recruit on or about November 16, 2017, falsely describing him as a long snapper.

345. On or about November 30, 2017, Heinel e-mailed CW-1 a conditional acceptance letter for PALATELLA's son. The letter stated that he had the "potential to make a significant contribution to the intercollegiate athletic program as well as to the academic life of the university." CW-1 forwarded the letter to PALATELLA.

346. On or about the next day PALATELLA mailed Heinel a \$100,000 check, payable to the USC Women's Athletic Board, with a note that said, "Our son ... is beyond thrilled at the prospect of attending USC as a freshman this fall."

347. USC mailed PALATELLA's son his formal acceptance letter on or about March 22, 2018. Six days later, CW-1 instructed a KWF employee to send PALATELLA an invoice in the amount of \$400,000. PALATELLA wired the money to KWF on or about April 1, 2018.

348. On or about October 24, 2018, CW-1 called PALATELLA from Boston at the direction of law enforcement agents, and told her that the IRS was conducting an audit of KWF. The following are two excerpts from the call, which was consensually recorded.

CW-1                      My foundation is being audited, which is typical, right? You know, we're all--

PALATELLA              Okay.

CW-1                      --businesspeople.

PALATELLA              Right.

CW-1                      So they're, they're looking at all my payments.

PALATELLA              Mm-mmm.

CW-1                      And they asked about your payment, which was for [CW-2] taking the test for [your son], which we know happened at [the West Hollywood Test Center], and that whole thing happened, and [CW-2] took it. And of course when I talk to the IRS, I'm definitely not saying anything about that. I'm just saying that your payment for-- that \$75,000 payment was essentially for helping-- going to our foundation to help underserved kids.

PALATELLA Oh, yeah, totally. Everything we've done is.

CW-1 Absolutely. And then the, the additional money, the 400K-plus, was-- that we get through Donna-- to help [your son] get into USC, through football. That's essentially [the] same thing I've told the IRS, just money's gone to our foundation, and is essentially to help underserved kids in the programs that we're doing. So essentially what I want to do is make sure that our stories are the same.

PALATELLA Well, here's-- I think they are, but I think there's even more to it. So hold on a second. Just one sec. Let me go into-- I'm in a big environment here. I think the other thing is that we don't come from this, and we are so grateful for the educational opportunities our own kids have gotten, and we feel like we want to give to something that can support these kids and give other kids the same chance that our son had.

CW-1 Absolutely. Absolutely.

PALATELLA Are you comfortable with that?

CW-1 Absolutely. Absolutely. So the other question I just want to ask is for the sale of-- are you or did you take a write-off-- because they've asked me that question, and I just want to make sure that I know the answer to the question.

PALATELLA Yes, because you're a nonprofit, correct?

CW-1 Right absolutely. Yeah, 501(3)(c) [sic].

PALATELLA Oh yeah. No, no. Yeah, no, no, no, we took the write-off, and we are-- but our-- yeah. I mean, I love the work you're doing, and love the fact that you help take care of these kids and inspire them and go out into the communities. It was a year we could afford to do it. That's-- which is not even true, but-- (laughs). We made sure it was.

....

PALATELLA What are they looking for?

CW-1 They're just looking for to figure out, this money-- because what's happened, Marci, is our foundation has grown significantly . . . . So what's happened now people are focused on, okay, where's all this money going? Who are you really helping? Is this money, you know, being used for the appropriate reason? So we-- my

books are solid. We've proven it. And I just want to make sure that if anybody comes to you, that your stories are the same, that essentially that first 75 [\$75,000], essentially, which we know is for [CW-2] taking the test for [your son], but--

PALATELLA No, no, no, it's-- no, that was also for the same thing.

CW-1 Absolutely.

PALATELLA I don't think, I don't think we have to involve [CW-2].

CW-1 Okay, got it. Got it. Okay.

PALATELLA I don't think-- I, I think eliminate [CW-2], that we, we did it. We were really happy with the work you were doing. We know people at Goldman Sachs who have, you know, recommended you highly, and we were looking for a place to-- we'd already donated to our schools, and we were, you know, looking for a place where we could really help kids, not just in our own neighborhood, but elsewhere, and we felt really good about everything you were doing. And you were involved in athletics, and my husband was a professional athlete, and-- you know.

CW-1 Terrific. Terrific. [Inaudible].

PALATELLA [inaudible].

CW-1 I just want to make sure that all the payments made-- we're on the same page, that's all. I just want to give you a heads-up--

PALATELLA I don't think you-- I don't even think you should go down the [CW-2] road. Or did, did you?

CW-1 No, we haven't-- no, not at all.

PALATELLA Don't even-- I just think that was our first one, and then we felt really good about you, and--

CW-1 They, they, they know nothing about [CW-2]. They know nothing about any of it. I have just said that all the money went to our foundation to help underserved kids. That's it.

349. On or about January 10, 2019, PALATELLA called CW-1 to tell him about a "disturbing call" that she had had with a neighbor whom she had told, in confidence, that she had

paid CW-1 \$200,000 to secure her son's admission to USC—although, in fact, she had paid CW-1 and Heinel two-and-a-half times that amount. According to PALATELLA, her neighbor had told PALATELLA's son that we “basically paid off to get in,” after promising that “she wouldn't say anything.” PALATELLA told CW-1 that she and her spouse “laugh every day” about how grateful they were for CW-1's services, telling him, “We're like, ‘it was worth every cent.’”

Q. ELISABETH KIMMEL

350. Defendant ELISABETH KIMMEL is a resident of Las Vegas, Nevada and La Jolla, California. KIMMEL is the owner and president of a media company.

351. As set forth below, KIMMEL participated in the college recruitment scheme by conspiring to use bribery to facilitate her daughter's admission to Georgetown as a purported tennis recruit, and her son's admission to USC as a purported track recruit.

352. KIMMEL's daughter's application to Georgetown stated that she played “Southern California Junior Tennis” throughout high school and was a “ranked player.” In fact, the United States Tennis Association, which operates the Southern California Junior Tennis program, has no record of KIMMEL's daughter's participation in that program.

353. On or about November 26, 2012, an admissions administrator at Georgetown e-mailed KIMMEL's daughter, copying Ernst, that “[i]n order to send you your likely letter, your application needs to be complete. Although Coach Ernst has shared with me your unofficial SAT score report, we have not received the scores officially from the College Board and this is a requirement for admission.” On or about December 12, 2012, KIMMEL's spouse responded to the e-mail on behalf of his daughter, copying KIMMEL, Ernst and CW-1, that he had ordered his daughter's official score report to be sent to Georgetown.